This plan combines the Regional Plan, the Metropolitan Transportation Plan (MTP), and the Comprehensive Economic Development Strategy (CEDS) into one integrated plan.

For a healthy, inclusive, and prosperous community.

Adopted 6/19/2013

Chapter 2.4

This plan can be found online at:
www.ecosproject.com/plan
2.4 ECONOMIC INFRASTRUCTURE

_Broad Goal:_ Build the region’s capacity for shared and sustainable improvements in the economic wellbeing of the community through support of both local and globally competitive initiatives.

**INTRODUCTION:** There is a direct relationship between a region’s economic prosperity and the ability of residents to thrive: by gaining a higher income, the ability to purchase needed items and ability to lead a healthy lifestyle. In general, this leads to greater social connectedness, educational advancement, increased life expectancy, and happiness. Furthermore, if businesses are prospering, they are better able to continue to provide philanthropic and volunteer support for the community.

Over the past several decades, it is apparent that Chittenden County enjoys a competitive advantage relative to the balance of the state, based on the findings presented in the Economic Base and Competitive Assessment reports: the County’s share of population, Gross Domestic Product, jobs and income, among other economic indicators, has increased.

Despite the advantages the region has enjoyed in many areas, however, there are some disquieting trends that need to be acknowledged. If recent trends continue, there will be additional loss of jobs in high-wage industries and slow growth in lower-wage industries. Job growth has been slow over the past decade and this is likely to continue into the future. However, the Chittenden County region has a highly desirable quality of life by many measures and there will continue to be growth pressures. Our challenge is how to manage and shape these larger external growth pressures to improve our job opportunities and incomes while also improving our quality of life.

This section of the ECOS Plan looks at three goals related to our economy: Economy, Household Financial Security, and Working Lands. Under each of these goals, is a quick review of key issues and trends including a short list of selected indicators. There are many specific and smaller measures that, while important, are not included so that we can focus on the biggest and most important trends that will affect the long term ability of our residents and our children and grand children to have a range of opportunities for jobs, income growth, and be able to afford not only their basic needs (housing, food, clothing), but also be able to fully enjoy their life in Chittenden County.

Our economy is typically looked at in terms of farm and non-farm employment. Therefore, this section includes an Economy section that looks at our non-farm employment and jobs and the opportunities for employment outside of agriculture. The Working Lands section focuses on agriculture as an industry and land use. The Household Financial Security section looks at the result of having a job (or not): income and pressures on income that impact our families’ ability to enjoy their lives.
### 2.4.1 Economy

**Goal:** Retain and support existing employers and job growth, grow target sector employers and entrepreneurs, and work to attract a greater diversity of employers and employees.

**Key Issues/Trends/Insights**

[Data in this section drawn from Economic Base Analysis, and the Economic Competitive Assessment Analysis Reports]

- Chittenden County’s employment base is largely within five private industry sectors: Healthcare and social assistance; retail trade; manufacturing; accommodation and food service; and professional, scientific and technical services.
- Chittenden County is a mix of urban, suburban and rural areas, with a rural character that is important to many residents. Similarly, the economy includes the largest for-profit employer in the state (the major IBM complex); the largest retail area in Vermont with four communities ranking in the top five in the state based on 2011 retail sales tax reports (Williston – #1; South Burlington – #2; Burlington– #4; and Colchester - #5 (source: Vermont Department of Taxes); and significant agricultural, recreational and open space areas. This mix of uses results in a character cherished by its residents and appealing to prospective residents. The challenge is to plan and manage future growth, including economic development, so that it sustains and enhances this community character.
- Employment in the private sector declined between 2000 and 2010. Total non-farm employment in Chittenden County decreased from 95,354 to 93,231 between 2000 and 2010 – a loss of 2,123 jobs, or -2.2 percent. This was offset in part by an increase in public sector employment, but it was not sufficient to offset private sector losses (private sector: -4,386 + public sector: 2,263 = net -2,123).
- Chittenden County is currently modestly-supplied with buildings and land for business expansion. In the future, additional “shovel-ready” sites with good access, full utilities and proper zoning will be necessary if the County is to be competitive in attracting larger projects or retaining local businesses seeking to expand.
- Educational levels among residents 25 years old and older exceed state and national norms. (See Section 2.5 Education for more detail.) However, due to our aging demographics and available workforce, we need more individuals with postsecondary training and experiences.
- The County is blessed with a highly desirable quality of life. The notable exception is the affordability of housing, which was both rated the lowest quality of life factor in the Employers Survey (can be found in the Analysis Reports referenced above) as well as being the most commonly observed weakness of the area in interviews of employers.
Based upon the results of the Employers Survey, recreational opportunities, safety from crime, and cultural opportunities all scored Very Good or higher, while the quality of the K–12 educational system scored just below Very Good.

The County’s labor force has a relatively low unemployment rate and high labor participation rate, with many skills categories, particularly technical skills, reported as difficult to find or unavailable by area employers. While some of these needs are for skills that are unique to specific companies, several employers surveyed reported similar training needs for skilled manufacturing occupations particularly in the machine trades. Interviewed manufacturers emphasized the strong need for local training programs in machining and other skilled occupations to support their growth and sustainability. They also expressed concern and frustration over a lack of proficiency in math and writing skills.

Key Indicators

- **Recent Chittenden County job growth** has been stronger than the U.S., New England and Vermont.

![Figure 31 - Recent Chittenden County Job Growth Since 1990]

**Total number of businesses in Chittenden County:** Since peaking in 2008 the County’s business count has dropped by 101.

![Figure 32 – Total Number of Businesses in Chittenden County]
The unemployment rate in the greater Burlington area (Burlington New England City and Town Area (NECTA*)) has declined faster than the New England and US rates over the past two years. *

FIGURE 33 - UNEMPLOYMENT RATE IN THE GREATER BURLINGTON AREA

Professional and technical services and Manufacturing jobs pay significantly higher salaries than our other major employment sectors.
FIGURE 34 - AVERAGE WAGES BY INDUSTRY SECTOR

Source: Vermont Department of Labor Covered Employment and Wages
2.4.2 HOUSEHOLD FINANCIAL SECURITY

*Household Financial Security Goal: Improve the financial security of households.*

INTRODUCTION: Levels of income and wealth are key determinants of individual or family wellbeing. Economic standard of living involves a complex combination of factors such as income, living costs, and household size and composition.

Key Issues/Trends/Insights
[Data in this section drawn from Housing Analysis Report]

- In 2008, 21% of Chittenden County residents were living at less than 200% of the federal poverty level and many receive state and federal assistance to meet basic needs.
- Lower income Vermonters report higher rates of depression and chronic conditions, such as obesity, asthma, heart disease, stroke and diabetes.
- The County’s ability to grow its economy in the future will be closely tied to its ability to provide available labor, particularly once the currently unemployed are absorbed back into the ranks of the employed as much as their skills will allow. A broad-based strategy of skills upgrading, new methods of recruiting, and alternative working arrangements will be necessary.
- More focus is needed on education and workforce development to train employees for the opportunities in the technologies needed for manufacturing, professional services and health care. See more under the “Education” topic.
- Household financial security influences a family’s ability to access enough food to fully meet basic needs at all times. Lack of financial resources can cause food insecurity.
  - 15,401 Chittenden County residents participate in 3SquaresVT (formerly known as Food Stamps).
  - 6.6% increase in 3SquaresVT participation since 2010.
  - 1 in 7 children in Chittenden County are food insecure.
  - 26% of grade school and high school students are eligible for free or reduced-price meals (Hunger Free VT – www.hungerfreevt.org).

Key Indicators

- Chittenden County household income is higher than both VT and the US. However, median household income in the County has declined for two consecutive years, approximately back to 2006 levels.
Household income varies significantly by race

<table>
<thead>
<tr>
<th>Race of Head of Household</th>
<th>Median Income</th>
<th>Margin of Error</th>
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<tbody>
<tr>
<td>White</td>
<td>$60,297</td>
<td>+/- $1,376</td>
</tr>
<tr>
<td>African-American</td>
<td>$40,865</td>
<td>+/- $5,687</td>
</tr>
<tr>
<td>Asian</td>
<td>$54,417</td>
<td>+/- $10,580</td>
</tr>
<tr>
<td>Two or more races</td>
<td>$52,358</td>
<td>+/- $12,820</td>
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</table>

Source: U.S. Census Bureau, American Community Survey 2005-9

Percentage of Families whose Income in the Last 12 Months is Below Poverty Level

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<thead>
<tr>
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<th>ACS 2007 3-year Estimates</th>
<th>ACS 2010 3-year Estimates</th>
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<tbody>
<tr>
<td>Chittenden County</td>
<td>6.10%</td>
<td>6.70%</td>
</tr>
<tr>
<td>Vermont</td>
<td>6.90%</td>
<td>7.60%</td>
</tr>
<tr>
<td>US (2010)</td>
<td></td>
<td>15.10%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey 2005-9
Average Combined Housing + Transportation Costs in 2010 is 53% of County median income (derived from the H+T Affordability Index, Center for Neighborhood Technology). 45% is considered the threshold of affordability.
2.4.3 Working Lands & Land Based Industries

**Working Lands Goal:** Support the growth and vitality of working farms and managed forests; and sustainably manage sand and gravel extraction operations.

Key Issues/Trends/Insights
[Data for this section drawn from Natural Systems Analysis Report; Farm to Plate Annual Reporting; Informing Land Use Planning and Forestland Conservation Through Subdivision and Parcelization Trend Information – Vermont Natural Resources Council, September 2010; The Action Plan of the VT Working Landscape Partnership.]

- Working lands and resource extraction industries are critical components of a self-reliant and diverse economy, making a region less vulnerable to market crises. Local food and fuel production is preferred since the transportation to import these products consumes tremendous amounts of energy and generates pollution. In addition, when food is imported from far-away places, nutrient value is reduced during the transport time.

- Working lands and resource extraction industries are economically viable within the constraints of our natural landscape. Sustainably managed farmland and forest land means less developed land, fewer impervious surfaces, and thus a greater presence of the natural ecosystem’s features and functions. Conversely, high quality food and productive forests are dependent upon clean water and clean, nutrient-rich soils. It is imperative that we maintain high quality water and soils for healthy and viable food and forest product industries.

- A major challenge to forest and farm businesses is the value of the land in these industries versus the value of the land for development. Often when these industries are no longer economically viable, the land is sold and developed, resulting in forest fragmentation and increased parceling of land. The number of parcels has gone up, while their size has gone down, diminishing their economic viability and the ecological services they provide. This situation has far-reaching potential consequences for the future of Vermont’s local economies, including tourism.

- Markets for forest products are necessary to ensure that landowners can afford to hold and manage their forest land (Vermont Forest Resource Plan, page 57). Unfortunately, the Vermont forest products industry is in slow and unheralded decline which has resulted in dramatic reductions in wood processing and manufacturing (Action Plan of the Vermont Working Landscape Partnership, page 14)). In the face of increasing gas prices and international trade, the importance of local products and processing cannot be overstated. Markets for forest products are often influenced on regional scales beyond the county level, though support of opportunities to develop and take advantage of markets must occur at the local scale.

- In recent decades, farm enterprises in the County have been employing new forms of business ownership, engaging in non-farm employment, limiting the size of farm operations to control the growth of farm production expenses, producing different types of farm products, producing more farm-related products, and engaging in more direct sales to consumers. These trends present a new set of challenges for farmers
and communities, including access to markets and access to affordable land. Difficulties acquiring the proper equipment, or accessing to a certified processing facility are also a common problem for some new farmers. We will need to adjust our regulations and programs to ensure that we are not unnecessarily prohibiting agricultural enterprises from diversifying as well as continue efforts to ensure that agricultural enterprises remain economically viable.

- Extraction industries are associated with different land management issues than farms and forests; these are included here for lack of a better location at this time. These nonrenewable resources are used to produce building materials (such as concrete and railroad ballast), to use as landscaping materials, and to maintain roads. The earth resources in Chittenden County that currently are commercially viable are sand (over two billion cubic yards available) and gravel (430 million cubic yards available). Chittenden County contained 3 primary producing construction sand and gravel areas, and a total of 10 producing mines within those areas (Vermont Geological Survey/U.S. Geological Survey and USGS Mineral Resource Data System). While these resources are limited they play an important role in our land development practices and economy and it is important to manage them carefully.

**Key Indicators**

- **Use Value Appraisal (UVA) Enrollment:** UVA is a State program allowing land to be taxed based on its income producing potential from agriculture or forestry, rather than its – typically higher - fair market (development) value. (Source: UVA program and the USGS National Land Cover Data)
  - In 2010, 66,411 acres and 789 parcels of UVA Forest Land enrollment.
  - In 2010, 16,895 acres and 311 parcels of UVA Agricultural Land enrollment.
  - From 2001 to 2006, 514 acres or 1% of agricultural land was converted to development; and 140 acres or .07% of forest land was converted to development.

- **The number of farms has increased, while the acreage of farmland has decreased.**

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<tbody>
<tr>
<td>1,000 or More</td>
<td>7</td>
<td>10</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>500 to 999</td>
<td>44</td>
<td>23</td>
<td>25</td>
<td>-19</td>
</tr>
<tr>
<td>180 to 499</td>
<td>140</td>
<td>123</td>
<td>203</td>
<td>63</td>
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<td>50 to 179</td>
<td>134</td>
<td>137</td>
<td>178</td>
<td>44</td>
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<td>10 to 49</td>
<td>99</td>
<td>123</td>
<td>143</td>
<td>44</td>
</tr>
<tr>
<td>Under 10</td>
<td>28</td>
<td>40</td>
<td>81</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>452</td>
<td>456</td>
<td>641</td>
<td>189</td>
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The average property taxes per acre for farms in Chittenden County increased 82 percent (adjusted for inflation) from 1987 to 2007, from $18.60 to $33.86. (Source: U.S. Census of Agriculture)

The net farm income per acre for farms in Chittenden County increased from $102.49 in 2002 (adjusted for inflation) to $110.17 in 2007 (compared with Vermont’s increase from $93.93 to $129.20). However the income trends vary depending on the product: there were decreases in the value of “dairy, cattle and calves” and “all other farm products” and increases (in some cases dramatic) in the value of other types of farm products (farm income from products made on the farm such as cheese or for services provided on the farm such as farm equipment repair). (Source: U.S. Census of Agriculture)